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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001324

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SUBJECT: FORMER FM ON TAIWAN'S INTERNATIONAL SPACE AND
PRESIDENT MA'S PERFORMANCE

Classified By: AIT Acting Director Robert S. Wang,
Reasons 1.4(B) and (D).

11. (C) Summary: President Ma Ying-jeou had erred in not using party channels to engage Beijing directly on international space issues and help China better understand his proposed "diplomatic truce," Taichung Mayor Jason Hu (Taiwan's Foreign Minister from 1997-2000 and TECRO Washington chief representative before that) told A/DIR during their September 2 meeting. Rather, Hu observed, the government was conducting a dialogue through the media. Domestically, Ma's low approval rating after 100 days in office reflected his failure to deliver rapid economic improvements promised during his campaign. Ma also made other early missteps, neglecting his own party and not exercising leadership, especially on economic issues. Hu expressed hope that Ma would take over as KMT chairman when the position opens in 2009, something that would strengthen Ma's political control and make it easier to push his programs through the KMT-controlled Legislative Yuan (LY). End Summary.

Ma Should Engage Beijing on International Space Issues

12. (C) Taichung City Mayor Jason Hu, in a candid hour-long September 2 meeting with A/DIR, criticized President Ma and his administration for publicly touting a "diplomatic truce" with China without having reached any prior understanding with Beijing on the issue. Hu noted that NSC Secretary General Su Chi had told him privately that the administration had no immediate plans to discuss international space issues with Beijing. Instead, they intended to spend six months to one year "making friends" with the PRC. President Ma appeared to be sticking to this approach, Hu said, expressing skepticism about its prospects for success. It was essential, Hu said, that the administration let Beijing know exactly what it means when it uses words like "diplomatic truce" and that it not attempt to conduct a dialogue through the media. Whether through Lien Chan, KMT Chairman Wu Poh-hsiung, or someone else, Taiwan needs to engage Beijing directly and without delay, Hu argued.

Ma's First 100 Days

13. (C) Hu offered four reasons for public dissatisfaction with Ma's first 100 days in office. First, Ma's campaign rhetoric had fueled unrealistically high public expectations

for rapid economic improvement. Second, the government Ma inherited after eight years of DPP misrule was at a "low ebb." Third, the international economic situation was unfavorable. Fourth, Ma did not do a good job managing public expectations. According to Hu, all of these factors contributed to Ma's low approval rating in a variety of recent public opinion polls.

14. (C) Instead of blaming the DPP for the economic mess they left him, Ma's approach was to "face the storm" himself, Hu said. Ma and others like Su Chi were "too polite," Hu complained. While Ma might be constrained by his position from publicly criticizing the DPP or blaming the international economic situation, he could have others inside or outside his administration make these points for him. Hu acknowledged, however, that it was questionable whether the media and public would pay much attention to such comments, noting that the media had failed to report his own comments along these lines.

15. (C) Ma also made a major misstep at the beginning when he distanced himself from the KMT and declared that, as President, he would be on the second and not the first line of government, Hu maintained. Ma's intent was to demonstrate that he was the president of all the people, including Green supporters, a tactic that had worked successfully when he was Taipei City Mayor. However, in this case, it made Ma too distant from his own party and from the day-to-day political fray. The people did not elect Ma to stay on second line, Hu pointed out. In fact, he added, there is no first or second line, only times to show yourself or not. Fortunately, said

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Hu, Ma has now adjusted his thinking on this issue and is playing a more proactive role.

Ma's Relations with the KMT

16. (C) In addition to abandoning his second line concept, Ma should also agree to serve as KMT chairman concurrent with his position as President, Hu maintained. In this way, Ma could strengthen his political control and be better able to push his programs through the LY. In Hu's view, Ma could handle the burden of serving concurrently as President and party chairman. If Ma became party chairman, he explained, the KMT Secretary General could take on more responsibilities. Hu also noted he had advised Ma to "pamper" pan-Blue elders, like Honorary Chairman Lien Chan and People First Party Chairman James Soong. Hu recounted that Soong had once called a meeting to complain about Ma. Subsequently, however, Soong became very happy when Ma went to visit him.

Comment

17. (C) A candid and insightful political insider, Jason Hu is closely associated with Ma Ying-jeou, though reportedly the two may have had some differences over Hu's frustrated desire to be named presidential office secretary general and Hu's cross-Strait activism. Hu's observations about Ma's problems during his first 100 days in office track with what we have heard from our other contacts. After an early nose-dive in the polls, however, Ma's standing now has recovered somewhat. This seems to reflect a lowering of public expectations, fewer missteps, and the current gradual decline in oil prices. Ma may have hurt himself again by suggesting that his campaign promises about improving the economy were long-term, not short-term goals. Statements by Ma and his officials have generated a fire-storm of criticism. (Septel offers a wider look at Ma's performance at the 100-day mark.)
WANG